

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 864

February 19, 2021

SUMMARY OF BILL: Authorizes industrial development corporations (IDCs) located in certain counties to promote the development of single-family housing.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 6-54-118 and § 7-53-102:
 - Local governments may appropriate funds to IDCs for the purpose of economic and community development, industrial development, or both; and
 - IDCs are authorized to finance, acquire, own, lease, or dispose of properties and increase the quality of housing available by promoting industry, commerce, and housing construction.
- Pursuant to Tenn. Code Ann. § 67-4-2109, the Department of Economic and Community Development (ECD) designates counties as Tier 1-4, based on the county's unemployment, per capita income, and poverty levels.
- The proposed language is applicable only to IDCs located in counties designated as Tier 3 or Tier 4. According to ECD, there are 29 Tier 3 counties and 31 Tier 4 counties.
- Authorizing IDCs to promote such development utilizing incentives and funding currently available will not result in any significant fiscal impact to state or local government.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- IDCs currently have the power to promote industry and commerce within local governments through development of projects.
- The proposed language is not estimated to increase overall funding and incentives provided to IDCs or the extent of projects undertaken by IDCs. If IDCs opt to promote the creation of single-family housing, such promotion will be done in lieu of initiating other projects authorized by state law; therefore, the net impact to jobs and commerce in Tennessee is considered not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Interim Executive Director

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